GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:323
ANSWERED ON:06.09.2007
ALLOTMENT OF FIELDS/BLOCKS TO PRIVATE COMPANIES BY ONGC
Vasava Shri Mansukhbhai D.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether Oil and Natural Gas Corporation has allotted several oil fields/blocks to private/ multinational companies for exploration of oil and gas;

(b) if so, the State-wise details thereof for the last two years and the reasons therefor;

(c) the details of the provisions made to check the misuse of mining oil resources by these companies;

(d) the number and names of companies out of the above which failed to abide by the rules framed in this regard; and

(e) the action taken by Government against such companies so far?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 323 BY SHRI MANSUKHBHAI D. VASAVA TO BE ANSWEERED ON THE 6th SEPTEMBER, 2007 REGARDING ALLOCATION OF BLOCKS TO PRIVATE COMPANIES BY ONGC.

(a) to (e) No, Sir. Oil and Natural Gas Corporation Limited (ONGC) does not allot blocks for exploration of oil & gas. However, in order to accelerate the exploration activities in the country, Government allots exploration blocks under New Exploration Licensing Policy (NELP) to National Oil Companies, Private Companies and foreign companies through a transparent and international bidding process. Production Sharing Contracts (PSCs) are signed by the Government with awardee companies under NELP which stipulates sharing of profit petroleum with Government and other terms for carrying out exploration and development activities. After implementation of NELP, area under exploration has increased from 11% to 44% of Indian sedimentary basin area. Exploration blocks have been awarded to ONGC by Government under Nomination and PSC regimes. Government has so far allotted 162 exploration blocks under NELP. A State-wise list of blocks awarded by the Government in onland areas during last 2 years is annexed.

Under six rounds of NELP, ONGC has been awarded 74 exploration blocks solely or in consortium with Indian Public Sector Undertakings (PSUs), private/foreign companies. In order to share exploration risk and access the latest exploration and production (E&P) technologies, in last two years ONGC has entered into partnership with other PSUs viz. Bharat Petroleum Corporation Ltd. (BPCL) & Gujarat State Petroleum Corporation (GSPC) and with private / multinational companies, namely, Cairn Energy (P) Ltd., ENI of Italy, Petrobras, Norsk-Hydro, Heramec, Ensearch and Suntera Res. Ltd. in NELP exploration Blocks. For increasing production of oil wells through Improved Oil Recovery (IOR)/Enhanced Oil Recovery (EOR) techniques, ONGC inducts new advanced technologies. However, in certain areas, equipments/services and domain experts are also hired from outsides agencies including foreign companies wherever possible and whenever required to enhance production from wells.

PSC as well as the Oil fields (Regulation & Development) Act (ORDA), 1948 have provisions of optimal exploitation of hydrocarbon resources of the country including provision of penalty for unfinished work. Exploration work is progressing as per the provisions of PSC signed between the Government and awardees companies. None of the companies awarded blocks in the last two years (mentioned in the annexed list) have violated any terms and conditions of PSCs. Hence no action was required as per PSC.